

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 1/5/2016	(3) CONTACT/PHONE Jeff Werst, Design Division Manager (805) 781-4480	
(4) SUBJECT Submittal of bid opening report for the County Service Area (CSA) 16, State Water Project Turnout, Shandon, to award the subject contract to Sansone Company, Inc., the lowest responsible bidder, in the amount of \$264,760; and authorize a budget adjustment in the amount of \$496,260 in the Flood Control and Water Conservation District and \$89,622 in CSA 16. District 1.			
(5) RECOMMENDED ACTION In accordance with applicable State Law, it is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District): <ol style="list-style-type: none"> <li>1. Award the subject contract (no. 300463) to Sansone Company, Inc., the lowest responsible bidder, at \$264,760, and</li> <li>2. Authorize the Public Works Director or his designee to approve change orders for a contingency amount up to \$26,500, for a final total construction amount of \$291,260; and</li> <li>3. Authorize a loan from District to CSA 16 in the amount of \$89,662; and</li> <li>4. Authorize a budget adjustment in the amount of \$496,260 in the Flood Control and Water Conservation District and in the amount of \$89,662 in CSA 16, by a 4/5 vote.</li> </ol>			
(6) FUNDING SOURCE(S) County Service Area 16 (Fund 2502500000)	(7) CURRENT YEAR FINANCIAL IMPACT \$451,479.00	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)  19001610		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1516057 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: 8/28/12 #19; 4/12/13 #13; 5/5/15 #17; 7/14/15 #6 and #10; 7/21/15 #17; 10/20/15 #1	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 1			

Reference: 16JAN05-C-8

## County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works  
Jeff Werst, Design Division Manager  
Jeff Lee, Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 1/5/2016

SUBJECT: Submittal of bid opening report for the County Service Area (CSA) 16, State Water Project Turnout, Shandon, to award the subject contract to Sansone Company, Inc., the lowest responsible bidder, in the amount of \$264,760; and authorize a budget adjustment in the amount of \$496,260 in the Flood Control and Water Conservation District and \$89,622 in CSA 16. District 1.

### **RECOMMENDATION**

In accordance with applicable State Law, it is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District):

1. Award the subject contract (no. 300463) to Sansone Company, Inc., the lowest responsible bidder, at \$264,760, and
2. Authorize the Public Works Director or his designee to approve change orders for a contingency amount up to \$26,500, for a final total construction amount of \$291,260; and
3. Authorize a loan from District to CSA 16 in the amount of \$89,662; and
4. Authorize a budget adjustment in the amount of \$496,260 in the Flood Control and Water Conservation District and in the amount of \$89,662 in CSA 16 by, a 4/5 vote.

### **DISCUSSION**

In accordance with direction from your Board, bids for the subject contract were opened on Thursday, December 3, 2015.

Six bids were received. They are as follows:

Engineer's Estimate	\$169,000.00
Sansone Company, Inc.	\$264,760.00
John Madonna Construction Co., Inc.	274,742.00
Whitaker Construction Group, Inc.	297,000.00
V. Lopez Jr. & Sons G.E.C., Inc.	309,009.00
Souza Construction, Inc.	377,000.00
Special Service Contractors, Inc.	389,748.00

The low bid was approximately 57% higher than the Engineer's Estimate. After reviewing the discrepancy with the design consultant, it was determined that the consultant's "Opinion of Probable Cost" (OPC) was prepared early in the project development process and had not been updated prior to bidding to reflect subsequent final design changes nor to account for escalation of material and labor costs. Based on staff's evaluation of the bids received, the bids were competitive and the three low bidders had comparable prices (within 4 to 12% of the lowest bid), and it is therefore staff's opinion that rebidding would not result in better prices. We have reviewed the submittal from Sansone Company, Inc. and verified that they are the lowest responsive responsible bidder and is therefore recommended that the contract be awarded to Sansone Company, Inc.

The community of Shandon depends on groundwater as their only source of drinking water. The groundwater supplies are sufficient to provide for the existing water needs of the community, but have historically been affected by drought. On January 25, 2011, the Board provided policy direction to not sell CSA 16's 100 acre-feet per year State Water Project (SWP) allocation and directed staff to develop a turnout facility for Shandon's connection to the SWP. Since Central Coast Water Authority (CCWA) operates the waterline on behalf of the Department of Water Resources (DWR), on August 28, 2012, the Board approved a "Utility Reimbursement Agreement for Design Services" between CCWA and the District to design the project and obtain plan approval from DWR.

To further advance the Turnout Project, the Board, on July 14, 2015, approved reimbursement agreements between the District and the County, acting on behalf of CSA 16 and a construction agreement with the CCWA for construction of the Turnout Project on July 21, 2015.

The Turnout Project consists of a new turnout facility from the Coastal Branch of the SWP to provide access to the community's 100 acre-feet per year water allocation from the SWP to augment the CSA 16 water supply. The project entails construction of a concrete vault to house turnout equipment along with a 2-inch waterline from the existing tap in the 48-inch SWP line to the existing 10-inch pipeline on the CSA 16 water system.

Given both requirements under the Governor's Water Conservation Mandates and future impacts under the Sustainable Groundwater Management Act, providing the turnout for Shandon to access an alternative water source is a prudent measure to diversify its water resources.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

DWR and CCWA have been involved in the planning, design and approval of the project plans.

The CSA 16 Advisory Group has been periodically updated on the project status.

County Counsel has reviewed and approved the Agreements and the contract as to legal form and effect. The County Clerk formally processes the bid openings.

## **FINANCIAL CONSIDERATIONS**

This project is a multi-year project budgeted in CSA 16 – WBS 300463, in the amount of \$406,598. The total project costs are estimated at \$496,260. Funding for the project will come from FY 2015-16 CSA 16 Water Fund budget in the amount of \$406,598. The funding shortfall of \$89,662 will be funded by a loan from the District to CSA 16. CSA 16 will repay the loan with interest at the County's pooled rate over a period not to exceed 10 years.

Due to contractual requirements, the agreement with DWR for this work is with the District and therefore construction costs will be paid out of District funds and reimbursed by CSA 16, simply passing through the District. Therefore it is necessary to appropriate both the revenue and expenditures in the District for both the pass through expenses and the loaned funds. As a result, it is now necessary for the Board to authorize a corresponding budget adjustment by a 4/5 vote in the amount of \$496,260 and \$89,662.

Please see Exhibit "A" for an estimated cost breakdown of the project.

## **RESULTS**

The immediate result of the recommended action will be the construction of this project, which will improve the road for the safety of the motoring public. This, in turn, will result in a safer, more livable community.

## **ATTACHMENTS**

1. Vicinity Map
2. Exhibit A – Project Cost Estimates

File: Contract No. 300463

c: Resident Engineer  
Construction Engineer  
Sansone Company, Inc., Contractor

Reference: 16JAN05-C-8

L:\Design\2016\January\BOS\300463 CSA 16 State Water Project Turnout Shandon Bid Opening brd ltr.docx.jw erst.taw